21 July 1986 OCA 86-2423

NOTE FOR:	The Director The Deputy Director
FROM:	Dave Gries
SUBJECT:	Undistributed Cuts to DoD Budget by SASC
The si	tuation is still fluid but could gel soon.
As s	hown on the attached spreadsheet prepared by Keith
Hall,	undistributed cuts assigned to NFIP
Arnold Punaro (Minority Staff Director, Armed Services). Punaro indicated that the staff will try to find some of the needed moneyto cut the burden on the NFIPin alternative financing arrangements in DoD (such as cuts in money to cover inflation).	
In additio	n, Arnold will try to undo the damage with fencing tating that "it is the intent of" Armed Services to
exclude NF	IP in any undistributed cuts. According to Arnold,
the attitu	de of Senators Cohen and Nunn is critical; he will he wants us to weigh in with themindeed, we may
	so in any case.
On the Defense Su	positive side, we have heard from Appropriations bcommittee staff that Senator Stevens is still firm in

On the positive side, we have heard from Appropriations Defense Subcommittee staff that Senator Stevens is still firm in his determination not to cut NFIP below the authorizing number presented to the Subcommittee by the Senate. He is prepared to allocate any unallocated reductions that could impact on the NFIP to specific programs in the budget mark up.

We will get back to you tomorrow with a progress report.

Attachment

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